SHRI SHIVRAJ V. PATIL: We welcome it, Sir.

MR. CHAIRMAN: Next Question. Question No. 302.

श्री यशंवत सिन्हा : 302 का ऑन्सर तो होम मिनिस्टर को करना हैं ।

श्री सभापति : यह इंडियन पीनल कोड का 302 नही है ।

डा0 मुरली मनोहर जोशी : यह तो मर्डर ऑफ इलेक्ट्रिसिटी का सवाल है, इसलिए 302 का वही जवाब दें तो क्या बुरा है ।

श्री सभापति : मगर इसमें आईपीसी नही लिखा हुआ है ।

डा0 मुरली मनोहर जोशी : यह जरूरी नही है ।

श्री सभापति : जरूरी नही हैं तो आप कभी भी फंस जाएंगे ।

डा0 मुरली मनोहर जोशी : हम तो कई बार फंसाए जा चुके है ।

श्री संतोष बागड़ोदिया : सर, ये प्रोफेसर हैं, इनको लॉ का पता नही है, ये फंस जाएंगे ।

New Electricity Policy

*302. DR. VIJAY MALLYA:†

SHRI LALIT SURI:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government are proposing to adopt a New Electricity Policy (NEP);

(b) if so, what are the main objectives of NEP and have the State Governments expressed their reservations in this regard;

(c) what is the justification to have the NEP in the context of the existing Electricity Acts;

(d) what are the provisions made in the NEP to protect the consumer from the exploitation of private power producers; and

(e) whether the NEP will cover the issue of cross subsidy to Below Poverty Line families?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (e) A Statement is laid on the Table of the House.

†The question was actually asked on the floor of the House by DR. VIJAY MALLYA

Statement

(a) The National Electricity Policy has been notified on 12.2.2005.

(b) Protecting the interest of consumers is one of the major aims of the Electricity Act, 2003. The main objectives of the National Electricity Policy are mentioned below:—

* Access to Electricity—Available for all households in next five years.

. * Availability of Power—Demand to be fully met by 2012. Energy and peaking shortages to be overcome and 5 per cent spinning reserve to be available.

* Supply of Reliable and Quality Power of Specified standards in an efficient manner and at reasonable rates.

* Per capita availability of electricity to be increased to over 1000 units by 2012.

* Minimun lifeline consumption of 1 unit/household/day as a merit good by year 2012.

* Financial Turnaround and Commercial Viability of Electricity Sector.

* Protection of consumers' interests.

The policy was prepared, *inter-alia,* in consultation wtih the State Governments in accordance with the provisions of the Act. Suggestions and views received from various State Governments were duly considered and were, as far as possible/incorporated in the policy before its notification. Thereafter no State Government has expressed concern over any of the provisions of the policy.

(c) The policy has been notified under the provisions of section 3 of the Electricity Act, 2003, under which the Central Government is required, from time to time, to prepare the National Electricity Policy and tariff policy, for development of the power system. The Act provides that the Electricity Regulatory Commissions will be guided by these policies in the discharge of their functions. Further, under the Act, the Central Electricity Authority (CEA) is required to prepare National Electricity Plan in accordance with the National Electricity Policy.

(d) For protecting the interests of consumers, the policy further envisages the following:—

* Consumers, particularly those who are ready to pay a tariff which reflects efficient costs, have the right to get uninterrupted twenty four hours supply of quality power.
* Regulatory Commission to specify standards of performance by utilities.
* Reliability Index (Rl) of supply of power to consumers to be indicated by distribution licensees and road map for declaration of Rl for all cities and towns up to the District Headquarter towns as also for rural areas, to be drawn up by SERCs. Rl data to be compiled and published by CEA.
* State Regulatory Commissions to formulate guidelines regarding setting up of grievance redressal forum by the licensees within 6 months.
* State Regulatory Commissions should formulate regulations regarding Ombudsman and also appoint/designate the Ombudsman within six months. The Ombudsman shall look into non-redressal of consumer grievances by the forum.
* Central Government, State Governments and Regulatory Commissions to facilitate capacity building of consumer groups and their effective representation before the Regulatory Commissions for enhancing the efficacy of regulatory process.
* State Governments to prepare Five Year Plan with annual milestones to bring down transmission and distribution losses expeditiously. Central Government would provide incentive based assistance to States that are able to reduce losses as per agreed programmes.
* Multi-Year Tariff framework to minimize risks for utilities and consumers, promote efficiency and rapid reduction of system losses. This would also bring greater predictability to consumer tariffs by restricting tariff adjustments to known indicators such as power purchase prices and inflation indices.
* For thermal power, economics of generation and supply of electricity to be the basis for choice of fuel from among the options available.

The policy emphasizes on the need for making all efforts to improve the efficiency of operations in all the segments of the industry and for evolving suitable performance norms of operations together with incentives and

disincentives with appropriate arrangement for sharing the gains of efficient operations with the consumers. This will ensure protection of consumers' interests on the one hand and provide motivation for improving the efficiency of operations on the other.

The policy also emphasizes on the need for making all efforts for bringing competition in the power industry so that benefits of lower prices through competition is available to the consumers. Detailed guidelines for competitive bidding as stipulated in section 63 of the Act have also been issued by the Central Government.

(e) Recognizing the need of minimum level of support for consumers of very poor category to make electricity affordable for them, the policy provides that consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of tariff which are cross-subsidized. Tariffs for such designated group of consumers will be at least 50 per cent of the average (overall) cost of supply.

DR. VIJAY MALLYA: Mr. Chairman, Sir, I have read with great interest the reply provided by the hon. Minister I want to raise some issues that are extremely important. While I know that the New Electricity Policy has been notified and the objectives are clearly stated in the reply, there has been no mention of a serious problem that is on-going which is, the pilferage of power. How does the Government intend to stop the theft of power, which is a major problem occurring in several States in the country?

The second issue that has not been addressed, Sir, is the fact that providing free power, particularly to farmers, has become a major part of the election manifesto. When free power has to be given to a particular class of voters, I might say, how is the cost going to be addressed? Electricity is central not just to social development but also to industrial development and we all know that several potential foreign direct investment objectives are compromised because of lack of infrastructure including power. This requires huge investment. Almost all the State Electricity Boards, Sir, are near bankrupt, and, they do not pay their bills. So, there is a huge financial...

MR. CHAIRMAN: Come to the question.

DR. VIJAY MALLYA: I would like to know who is going to fund all this, because there is a disconnect between the initiatives taken by the Government of India and the objectives to be implemented at the State level.

SHRI P.M. SAYEED: Sir, I think this Question is connected with another question in the List.

MR. CHAIRMAN: Leave aside that.

डा0 मुरली मनोहर जोशी : या तो कंबाइन कर लीजिए .....

श्री सभापति : नही, इसे कंबाइन नही कीजिए, वह नही आएगा ।

डा0 मुरली मनोहर जोशी : आपको ऐसी नाराजगी क्यों हैं ?

श्री सभापति : नही, वह नही आएगा ...(**व्यवधान**)... अच्छा ठीक है । इसका जवाब दे दें तो फिर उसका भी जवाब दिलवा दूँगा ।

SHRI P.M. SAYEED: Sir, in our country, in the power sector, distribution had not been given proper attention and that was why pilferage had been taking place. Whether it is theft in connivance with the officials of Electricity Boards or the industry people or otherwise, we had been told by the States that losses due to pilferage amounted to 20 to 22 per cent. Sir, we feel the losses actually are nearly 45 to 50 per cent.

MR. CHAIRMAN: Do you mean transmission losses?

SHRI P.M. SAYEED: Sir, transmission as well as distribution losses. Losses on both these heads put together amount to 40 to 45 per cent. But we have been told by the States that the total loss amounts to 20 to 22 per cent. But then we focussed our attention on the distribution sector and stressed that the States must have a MoU with the Centre and we insisted that there must be feeder-metering and consumer-metering. If we have all these things, then only we can reduce these losses. It was being said that these 22 per cent losses were due to supply of free power to farmers. But it wasn't so. The major reason was theft. Now, there are adequate provisions in the Electricity Act of 2003 to take care of this aspect. There are many States like West Bengal, Andhra, Orissa, Haryana which have taken prompt action and hundreds of people have already been booked. Many of them have been convicted also. That is the type of action that we have proposed.

MR. CHAIRMAN: Has any person been arrested till now, only for transmission losses?

SHRI P.M. SAYEED: Sir, I will find out. Then, the hon. Member mentioned about free power. Section 65 of the Act says, if any State Government wants to give any relief to a particular segment of the society, it can do so, provided it makes a provision in the Budget.

SHRI LALIT SURI: Sir, generation of power and electricity is the most important infrastructure in which the country is lagging behind. For this, we need Rs. 9 lakh crores, regarding which the hon. Finance Minister in his Budget Speech has said that they have to electrify 1,25,000 villages, 2.35 crore houses and so on. This is a very ambitious plan. I would like to know from the hon. Minister the plans that are there to get this money because, rightly or wrongly, the perception after the Enron has not been very good in the country. I would like to know from the hon. Minister what efforts are going to be made to get this Rs. 9 lakh crores in the next five-seven years.

SHRI P.M. SAYEED: Sir, it is true. The hon. Member is right in saying that the generation of electricity has to be doubled according to our Plans. In the Tenth Plan, our target is to add 41,110 MW. In the Eleventh Plan, we are proposing to add another 60,000 MW. For this purpose, a huge funding is necessary, Rs. 8-9 lakh crores. Sir, in the National Common Minimum Programme, the Government's commitment to increase the role of private sector in power distribution and power generation has been reiterated. As far as the Tenth Plan is concerned, money has not been a constraint to us. But for the Eleventh Plan, yes, an all out effort has to be made. In the power sector, we have made it amply clear that in power generation and distribution also the Foreign Direct Investment is welcome. The entry has been made free—there is no licence necessary for power generation.

श्री दत्ता मेघे : सभापति महोदय, मैं जनरेशन के बारे में एक ही प्रश्न करना चाहता हूं। महोदय, एनरॉन कंपनी में करोड़ों रुपए लग गए और जिस पर केन्द्र सरकार व राज्य सरकार ने भी सहमति दी थी। वहां करोड़ों रूपए खर्च हुए, लेकिन अभी तक जनरेशन शुरू नही हुआ। इसमें पूरे देश की पैसा देनेवाली संस्थाओं के करोड़ों रुपए फंसे हैं, तो जहां पैसा लगा है वहां आप जनरेशन क्यों नही शुरू कर रहे हैं? महोदय, इस बारे में मैंने पहले भी बहुत बार प्रश्न पूछा है।

श्री पी0 एम0 सईद : सर, "दाभोल" के बारे में माननीया सदस्य ने प्रश्न पूछा, उसके jurisdiction के बारे में अदालत में कई जगह मैटर चल रहा है। My friend has, the other day, raised this matter. We are, at the moment, not in a position to say anything because it may likely to jeopardise our interest.

SHRI THANGA TAMIL SELVAN: Sir, solar energy system is very useful in hill stations and remote village households, street lights and the State Government offices alike. Will the hon. Minister allocate more funds for improvement of solar energy system?

SHRI P.M. SAYEED: Sir, Ministry of Non-Conventional Energy is dealing with the solar energy. However, I would like to say that we are, definitely, concentrating on the solar energy.

श्री मूल चन्द मीणा : सभापति महोदय,मंत्री जी ने बताया कि नई राष्ट्रीय विधुत नीति के अनुसार मौजूदा प्रति व्यक्ति खपत 500 यूनिट हैं और उसे बढ़ाकर 1000 यूनिट से अधिक करने की योजना है । मैं जानना चाहता हूं कि इस पर कितना पैसा खर्च होगा और यह पैसा कहां से आएगा ?

SHRI P.M. SAYEED: Sir, I have just now mentioned about it. It is true. Sir, we have started with 15 units of per capita consumption in 1947. Now, we have reached a level of 592 units. It is our intention to add to our capacity another one lakh MWs by 2012, by which we intend to double the per capita consumption. Our intention is there but we have to find money for that.

श्री विजय जे0 दर्डा : मैं ऊर्जा मंत्री जी से यह जानना चाहूंगा कि जो ट्रांसमिशन लॉसेस होते है, तो क्या यह आपके लिए संभव हैं कि जो जेनेरेशन होता है और जो डिस्ट्रिब्यूशन होता है, अगर उस हर एक व्यक्ति को उसका जिम्मेदार बनाए कि जितना उसने जेनेरेट किया है उतना डिस्ट्रिब्यूशन होना चाहिए और आप अगर यह मैकेनिज़्म लेते हैं तो निश्चित रूप से जो लॉसेज़ होते हैं, उसके लिए उनको आप अरेस्ट कर सकते हैं, इसके बारे में आपकी क्या नीति है ? मेरा दूसरा प्रश्न यह हैं कि …(**व्यवधान**)…

श्री सभापति : बताइए, बताइए । …(**व्यवधान**)… बस ठीक है…(**व्यवधान**)… नही नही, आपका क्वेश्चन हो गया । …(**व्यवधान**)… एक ही बहुत है । इतने इम्पोर्टेंट क्वेश्चन के बीच पाँच – सात ….

श्री पी0एम0 सईद : महोदय, यह ट्रांसमिशन लॉस कैसे होता है, यह इसलिए होता है कि …(**व्यवधान**)…

श्री सभापति : यह उनको मालूम हैं ।

श्री पी0एम0 सईद : हमारी जो मशीनें हैं, वे बहुत ओल्ड हैं, उनके रेनोवेशन और मॉडर्नाइजेशन के लिए केन्द्र सरकार ने नीति बनाई । अगर उसको लागू करने में राज्य सरकार का सहयोग नही होगा तो उसका इम्प्रूवमेंट कभी भी नही हो सकता है । जहां – जहां सहयोग हुआ है …(**व्यवधान**)…

श्री सभापति : एक मिनट, बैठिए । …(**व्यवधान**)… माननीय मंत्री महोदय, एक बात सुन लें । जब तक ट्रांसमिशन लॉसेज कम नही होंगे, तब तक चोरी नही रुकेगी । …(**व्यवधान**)… तब तक शॉर्टेज नही रुकेगी ।

SHRI P.M. SAYEED: That is what I am telling. Now, one per cent of power load factor, if we improve, Sir, 700 MW ...*(Interruptions)*...

श्री सभापति : वह ठीक है । वह एस्टिमेट तो सब को मालूम है**…(व्यवधान)…**

SHRI P.M. SAYEED: That is what I am telling. In 1993 we started with 57 per cent load factor. Now the national average is 74.5 per cent. That means we have increased it by 17 per cent and that also means the capital investment is Rs. 60,000 crores and 20,000 MW. Sir, it is a question of implementation by the State because constitutionally it is a Concurrent Subject. Unless and until the States come forward, it becomes difficult. For exam pie.... *(Interruptions)...*

श्री सभापति : ठीक है । इतना ठीक है । Do not give examples. ...*(Interruptions)...* Take your seat. ...*(Interruptions)...*

SHRI DIPANKAR MUKHERJEE: Sir, I would restrict myself without prejudice that we have a lot of reservation ...*(Interruptions)...* We have certain major reservations with regard to the formulation of the National Electricity Policy. Notwithstanding that, my limited question to the Minister of Power is that Orissa and now Delhi are the two States, so far as privatisation of distribution is concerned. These are the States, which have gone forward for privatisation of distribution. Will the hon. Minister look into the Report by the Kanungo Committee so far as privatisation of distribution, private companies and the CAG Report with regard to Delhi are concerned, before reviewing certain facts of this policy which gives total focus on privatisation of distribution as the only panacea for the problems in the power sector?

SHRI P.M. SAYEED. Sir, my friend is rather misunderstanding the Electricity Policy with regard to privatisation. Here the Policy or the Act is not coming in the way or preventing the privatisation. It has nothing to do with that. As far as these the two States, which he has mentioned and the Kanungo Committee Report are concerned, I will definitely look into it. Wherever it may be, we stand for public sector and private sector competition.

श्री वेद प्रकाश गोयल : मैं केवल इतना जानना चाहता हूं **…(व्यवधान)…** कि जो यह उत्तर है**…(व्यवधान)…**

श्री सभापति : इम्पॉर्टेंट क्वेश्चन है । **…(व्यवधान)…**

Fortunately, it has not been moved by Dr. Subbaranr ."{eddy. *...(Interruptions)...*

श्री वेद प्रकाश गोयल : बोलने दीजिए । ...(**व्यवधान**)... कुछ बोलने दीजिए न ...(**व्यवधान**)... सर, मैं केवल इतना पूछना चाहता हूं। सभापति जी, मैं केवल इतना पूछना चाहता हूं कि जो मंत्री जी का जवाब है, वह चाहे लिखित में हो या ओरल हो, उसका उसके प्रश्न से कोई संबंध होना जरूरी हैं या नही हैं? यह इस प्रश्न के पांच भाग हैं, इसमें से एक भाग का भी कोई स्पष्ट उत्तर नही आया है।

श्री सभापति : आप क्वैश्चन करिए।

श्री वेद प्रकाश गोयल : सर, मैं यही सवाल पूछना चाहता हूं।

SHRI P.M. SAYEED: Sir, if he wants that question to be answered, may I draw the hon. Member's attention to the objectives of the Electricity Policy. The objective of the Electricity Policy is to supply electricity to all households within five years. Availability of power demand is to be fully met by 2012. Supply of reliable and quality power would be at reasonable rates and in efficient manner, per capita availability of electricity to be increased to over 1000 units by 2012. Financial turn around and commercial viability of electricity sector and protection of consumers' interest are of our utmost consideration.

DR. BIMAL JALAN: Thank you, Mr. Chairman, Sir. I feel that this policy has already failed before the ink is dry. For example, you have said excess of electricity available for all households in the next five years. After 57 years, Sir, there are States where 50 per cent of the households don't have electricity. Am I right? Who would be responsible if this target cannot be realised? Similarly, per capita availability of electricity would be increased over 1000 units by April 2012. Who is going to take the responsibility for fulfilling the commitments in this particular policy? It seems to me that it has failed before you have signed.

SHRI P.M. SAYEED: Sir, Dr. Bimal Jalan has already mentioned about the responsibility to be fixed. Sir, according to the Constitution it is in the Concurrent List. So the distribution particularly is in the Concurrent List. The Central Government is not running away from its responsibility. Now what we have initiated is Rural Electrification Household Programme *i.e.,* 90 per cent of the fund directly is given from the Central Government and 10 percent again ...*(Interruptions)* Hitherto, the State Governments were not implementing. Now, Sir, our public sector undertakings like NTPC, NHPC, Power Grid Corporation, their services are also made available to the State Governments. Planning and execution are the responsibility to be taken up by the States.

श्री सभापति : मैं समझता हूं कि नैक्स्ट सेशन में इस पर हाफ – एन – आवर डिसकशन रखेंगे, जिसमें सब चर्चा हो जाएगी। नैक्स्ट क्वैश्चन 303, डा. अखिलेश दास।

Setting up of Export Credit Guarantee Corporation

*303. DR. AKHILESH DAS: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to set up an Export Credit Guarantee Corporation, with a National Exporters Insurance Fund of Rs. 2000 crore; and

(b) if so, the constitution, objects, functions and *modus operandi* thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) and (b) The Export Credit Guarantee Corporation of India Ltd. (ECGC) was set up in 1957 under the administrative control of the Ministry of Commerce and Industry. There is a proposal to set up a National Export Insurance Account (NEIA) under Export Credit Guarantee Corporation of India Ltd. to provide insurance cover to medium and long-term high value project exports with Government of India's contribution of Rs. 600 crore during the 10th Five Year Plan.

DR. AKHILESH DAS: At the outset, I would like to compliment the hon. Union Minister of Commerce, Mr. Kamal Nathji for taking effective steps for strengthening the Export Credit Guarantee Corporation. I want know whether it is a fact that large scale rejection of our exported goods, particularly perishable goods and foodgrains, and spices and the rejection of shipments, despite due clearance and certifications at different stages of exports, is the main reason requiring the constitution of the Exporters Insurance Fund and the Export Guarantee Corporation. If so, what is the number and details of the shipments so rejected and returned from various European and other destinations during the years 2002-03,2003-04 and April-January, 2004-05? What is the estimated loss suffered by the exporters; and what are the salient features of the insurance scheme contemplated for such losses?

MR. CHAIRMAN: Your supplementary does not come within the purview of the main question. You can put your second supplementary.

SHRI KAMAL NATH: Sir, I can give reply to one part.